

Message Text

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FM SECSTATE WASHDC

TO AMEMBASSY ATHENS

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FOR AMBASSADOR FROM EXIMBANK CHAIRMAN CASEY

E.O. 11652: N/A

TAGS: VGR EFIN

SUBJ: EXIMBANK PROGRAM IN GREECE

REF: ATHENS 3459

1. I UNDERSTAND THE OBJECTIVES OF YOUR SUGGESTIONS (REFTEL) CONCERN-
ING CREDIT LINES FOR SELECTED GREED BANKS. WE ALSO HAVE BEEN CON-
SIDERING THE FEASIBILITY OF MODIFICATIONS TO CFF PROGRAMS AS PROPOSED
TO ME BY GREEK SOURCES IN ATHENS AND BY MANAGING DIRECTOR GONTIKAS
OF NIBID HERE IN WASHINGTON. I BELIEVE THE FOLLOWING APPROACH SHOULD
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BEST SERVE OUR MUTUAL INTEREST OF AN EARLY INCREASE IN U.S. EXPORTS

SUPPORTED BY EXIMBANK FOR GREEK PROJECTS:

(A) WE WILL EXPEDITE ACTION ON LARGER PROJECTS WHICH ARE BEGINNING TO COME TO US THROUGH DIRECT CREDIT APPLICATIONS.

(B) FOR SMALLER PROJECTS WE WILL ADOPT A MORE FLEXIBLE APPROACH IN OUR CFF PROGRAM, TO ADAPT TO SOME OF THE NEEDS EXPRESSED TO US BY GREEK BANKS.

2. SPECIFICALLY, FOR THE CFF PROGRAM EXIMBANK IS PREPARED:

(A) TO EXPAND THE NUMBER OF ITS CFF LINES IN GREECE TO MORE COMMERCIAL AND INVESTMENT BANKS; UPON APPLICATION BY THE RESPECTIVE BANKS THE AMOUNTS FOR EACH WILL BE DETERMINED ACCORDING TO THE FINANCIAL CONDITION OF EACH APPLICANT.

(B) TO APPROVE EXIMBANK SUPPORT FOR INDIVIDUAL TRANSACTIONS UP TO \$3 MILLION (AN INCREASE OVER RECENT EXIMBANK GENERAL PRACTICE OF \$1 TO \$1.5 MILLION LIMITS).

(C) TO APPROVE GRACE PERIODS AND REPAYMENT TERMS ACCORDING TO STANDARDS CUSTOMARY IN INTERNATIONAL COMMERCIAL TRADE, BUT TO BE MORE FLEXIBLE IN APPROVING REPAYMENT PERIODS OVER FIVE YEARS FOR CAPITAL GOODS PROJECTS AS JUSTIFIED ON A CASE-BY-CASE BASIS.

3. FROM OUR REVIEW WE BELIEVE THE CFF PROGRAM, APPLIED AS INDICATED ABOVE, SHOULD MEET THE GREEK INTEREST IN FINANCING FOR SMALLER PROJECTS FOR WHICH IT HAS BEEN DIFFICULT IN THE PAST TO OBTAIN ADEQUATE FINANCIAL SECURITY SUCH AS BANK GUARANTEES. THE GREEK BANK PROPOSALS FOR CHANGING THE CFF LINES TO CREDIT LINES WITH BROAD DISCRETION ON THEIR PART WOULD SET A PRECEDENT FOR AN ENTIRE NEW EXIMBANK PROGRAM WHICH EXIMBANK WOULD THEN HAVE TO PROVIDE TO MANY OTHER APPLICANTS WHO RECENTLY HAVE SOUGHT SIMILAR CREDIT LINE FACILITIES. IF YOU ARE QUESTIONED ABOUT THE CFF PROCEDURE FOR EXIMBANK APPROVAL OF EACH TRANSACTION, YOU MIGHT POINT OUT THE RAPID AND SATISFACTORY TURN-AROUND TIME EXPERIENCED BY OTHER CFF BANKS GLOBALLY BY USE OF TELEX.

4. I SUGGEST THAT YOU NOTIFY INTERESTED GREEK BANKS OF THIS RESPONSE TO THEIR SUGGESTIONS AND ASK THEM TO SUBMIT THE FOLLOWING LIMITED OFFICIAL USE

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IN SUPPORT OF THEIR REQUEST FOR A CFF LINE:

(A) AUDITED FINANCIAL STATEMENTS (IN ENGLISH) FOR THE PAST 3 YEARS.

(B) HISTORICAL BACKGROUND ON THE BANK, THE NATURE OF ITS BUSINESS, A LIST OF MAJOR SHAREHOLDERS AND IDENTIFICATION OF PARENT HOLDING COMPANY IF APPROPRIATE.

(C) AN ESTIMATE OF ANTICIPATED CREDIT USAGE UNDER THE CFF FOR THE NEXT 12 MONTHS (EXPRESSED AS U.S. DOLLAR EXPORT VALUE).

5. IN THE DIRECT CREDIT AREA WE ARE GIVING PROMPT ACTION TO INQUIRIES FOR EXIMBANK SUPPORT WHICH HAVE BEEN RECEIVED RECENTLY. WE HAVE ENCOURAGED ALL TO EXPEDITE SUBMISSION OF FURTHER DATA. THESE INCLUDE: AN INQUIRY FROM THE JOHN LATSIS GROUP FOR CONSTRUCTION EQUIPMENT, GREEK INQUIRIES ABOUT PHARMACEUTICAL AND MEAT PACKING FACTORIES, A MAGNESITE PLANT FOR THE SCALISTIRI GROUP (MICHAEL SCALISTIRI HIMSELF EXPRESSED SATISFACTION OVER RESULTS OF HIS MEETINGS AT EXIMBANK APRIL 25), KAISER-LUMMUS INTEREST IN REFINERY EXPANSION AND KAISER PROPOSAL FOR NEW CEMENT PLANT. (WE WOULD LIKE TO MAINTAIN TWO-WAY CONTACT WITH THE EMBASSY AS THESE CASES DEVELOP.)

6. I WOULD APPRECIATE YOUR ADVISING MINISTER OF COORDINATION AND PLANNING PAPALIQOURAS AND NATIONAL BANK GOVERNOR ZOLOTAS OF THIS DUAL APPROACH WHICH WE ARE TAKING (PARA 1 ABOVE). TELL THEM THAT I BELIEVE THIS WILL MAKE IT POSSIBLE FOR GREEK BANKS TO RESPOND QUICKLY TO MEET MANY MORE NEEDS OF GREEK BUSINESSMEN FOR DOLLARS TO BUY U.S. GOODS AND THAT THEY HAVE OUR ASSURANCE THAT EXIMBANK WILL ACT SPEEDILY ON APPLICATIONS FOR DIRECT CREDITS ON LARGER PROJECTS. I GREATLY APPRECIATE THEIR DECISION TO ENCOURAGE GREEK BANKS TO DEVELOP THEIR CAPABILITY TO HELP GREEK BUSINESSMEN IN APPLYING FOR DIRECT CREDITS AND WE ARE PREPARED TO HELP DEVELOP THAT CAPABILITY AS WELL AS TO ACT PROMPTLY ON PROPOSED PROJECTS.
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